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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,632	03/14/2001	Elaine Scott Mason	COS99039	3006
25537 VERIZON PATENT MANAGEMENT GROUP 1515 N. COURTHOUSE ROAD SUITE 500 ARLINGTON, VA 22201-2909	7590 05/16/2008		<div>EXAMINER</div> <div>CHANDLER, SARA M</div>	
			<div>ART UNIT</div> <div>3693</div>	<div>PAPER NUMBER</div>
			<div>NOTIFICATION DATE</div> <div>05/16/2008</div>	<div>DELIVERY MODE</div> <div>ELECTRONIC</div>

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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# Office Action Summary

**Application No.**

09/805,632

**Applicant(s)**

MASON, ELAINE SCOTT

**Examiner**

SARA CHANDLER

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**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 18 January 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Response to Amendment***

This Office Action is responsive to Applicant's arguments and request for reconsideration of application 09/805,632 (03/14/01) filed on 01/18/08.

Please note the Examiner for this application has changed and is currently Sara Chandler.

### ***Claim Interpretation***

1. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111.

2. All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. See MPEP 2106 II C. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP § 2106 II C.

Language in a method claim that states only the intended use or intended result, but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result, but

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does not result in a structural difference between the claimed invention and the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim.

Claim limitations that contain statement(s) such as “*if, may, might, can could*”, as optional language. As matter of linguistic precision, optional claim elements do not narrow claim limitations, since they can always be omitted.

Claim limitations that contain statement(s) such as “*wherein, whereby*”, that fail to further define the steps or acts to be performed in method claims or the discrete physical structure required of system claims.

USPTO personnel should begin claim analysis by identifying and evaluating each claim limitation. For processes, the claim limitations will define steps or acts to be performed. For products, the claim limitations will define discrete physical structures or materials. Product claims are claims that are directed to either machines, manufactures or compositions of matter. See MPEP § 2106 II C.

The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:

- (A) statements of intended use or field of use,
- (B) “adapted to” or “adapted for” clauses,
- (C) “wherein” clauses, or
- (D) “whereby” clauses.

See MPEP § 2106 II C.

3. Independent claims are examined together, since they are not patentable distinct. If applicant expressly states on the record that two or more independent and distinct inventions are claimed in a single application, the Examiner may require the applicant to elect an invention to which the claims will be restricted.

### ***Claim Objections***

Claims 2, 9, 16, 23, 30 and 37 are objected to because of the following informalities: The claims recite "for pre-defined time period." Should this be -- for a predefined time period. --?

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 3-4, 10-11, 17-18, 24-25, 31-32 and 38-39 refer to an "expiration date." What is the expiration date for (e.g., invoice, discount etc.)?

Claims 4, 11, 18, 25, 32 and 39 recite the limitation "the second discount amount". There is insufficient antecedent basis for this limitation in the claim. Would changing "calculating another discount amount" to -- calculating a second discount amount -- cure the problem? Consistent terminology should be used.

Claims 5,12,19,26,33 and 40 recite the limitation "early payment discount". There is insufficient antecedent basis for this limitation in the claim. Would changing, "determining whether criteria for early payment discount are satisfied for a corresponding customer" to -- determining whether criteria for receiving the discount amount are satisfied for a corresponding customer -- cure the problem? Consistent terminology should be used.

Claims 7, 14, 21, 28, 35 and 42 refer to an "executing an electronic funds transfer." An electronic transfer of what? and between what parties?

Dependent claims are further rejected based on the same rationale as the claims from which they depend.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

**Claims 1-3, 5-7, 8-10, 12-14, 15-17, 19-21, 22-24, 26-28, 29-31, 33-35, 36-38 and 40-42** are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen, US Pat. No. 6,289,322 in view of "Accounting Software 101," by Jan Smith et. al., PC-Computing, v5, n2, p252(6) (hereinafter Smith).

**Re Claims 1-2,6, 8-9, 13, 15-16, 20, 22-23, 27, 29-30, 34, 36-37 and 41:** Kitchen discloses a method, apparatus, e-billing system, server apparatus, computer readable medium and program for an e-billing system, comprising:  
retrieving customer invoice information that includes an invoice due date and an invoice amount (Kitchen, Figs. 9A, 9C, Fig. 11, col. 1, lines 9-20; col. 3, lines 9-31; and col. 6, lines 29-52 Note: "billing information" as used in Kitchen inherently includes an invoice due date and invoice amount. E.g., see col. 1, lines 18-20 where Kitchen suggests "billing information also includes the total charge, due date for payment and, in many cases, the minimum amount which must be paid by the due date");  
displaying the invoice amount (Figs. 9A,9C, 11 and 15; col. 4, lines 37-42; col. 8, lines 4-8), and  
selectively receiving a payment input that authorizes a payment according to the invoice amount by the invoice due date (Kitchen, Figs. 10A-10C and 12A-12C; col. 1, line 42+ - col. 2, line 7; col. 8, line 56+ - col. 9, line 15; col. 12, line 16-48).

Kitchen fails to explicitly disclose:  
calculating a discount amount based upon the invoice amount;

displaying the calculated discount amount; and  
selectively receiving a payment input that authorizes a payment according to the  
calculated discount amount in advance of the invoice due date.

Smith discloses:

calculating a discount amount based upon the invoice amount (Smith, spec. abstract;  
last ¶, pg. 2 – third ¶, pg. 4);  
displaying the calculated discount amount (Smith, spec. abstract; last ¶, pg. 2 – third ¶, pg. 4); and  
selectively receiving a payment input that authorizes a payment according to the  
calculated discount amount in advance of the invoice due date (Smith, spec. abstract;  
last ¶, pg. 2 – third ¶, pg. 4).

It would have been obvious to one of ordinary skill in the art at the time the  
invention was made to modify the teachings of Kitchen by adopting the teachings of  
Smith to provide: calculating a discount amount based upon the invoice amount;  
displaying the calculated discount amount; and selectively receiving a payment input  
that authorizes a payment according to the calculated discount amount in advance of  
the invoice due date.

One would have motivated to improve cash flow and build good will among  
customers.

In addition to the explicit teaching-suggestion-motivation (TSM) of Kitchen and  
Smith supra, the claimed invention would have obvious to one of ordinary skill in the art.

Helpful insights, however, need not become rigid and mandatory formulas; and  
when it is so applied, the TSM test is incompatible with our precedents. The



obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of inventive pursuits and of modern technology counsels against limiting the analysis in this way. In many fields it may be that there is little discussion of obvious techniques or combinations, and it often may be the case that market demand, rather than scientific literature, will drive design trends. Granting patent protection to advances that would occur in the ordinary course without real innovation retards progress and may, in the case of patents combining previously known elements deprive prior inventions of their value or utility. *KSR v. Teleflex*, 127 S.Ct. 1727, 82 USPQ2d at 1396 (2007).

#### Base Device

Kitchen teaches that bill processing is relevant to a plurality of businesses in diverse industries (e.g., merchants, utility companies, service providers and bankcard companies) (Kitchen, col. 1, lines 9-20). Kitchen further teaches that traditionally bills (invoices) are generated on a periodic basis (e.g., 30 day periods) (Kitchen, col.1, lines 29-42) and that these bills (invoices) include detailed billing information (e.g., information regarding the goods or services purchased or ordered, the total charge, due date for payment of the bill (invoice), and minimum amount that must be paid by the due date) (Kitchen, col. 1, lines 9-20).

Kitchen suggests that although traditional methods of bill processing involve the mailing of paper checks via the postal service, technology is moving in the direction of systems that allow for the payment of bills electronically (Kitchen, col. 1, line 43+ - col. 2, line 15). The invention disclosed in Kitchen provides a base device for electronic bill processing. In Kitchen the bill (invoice) information can be retrieved (Kitchen, Figs. 9A, 9C, Fig. 11, col. 1, lines 9-20; col. 3, lines 9-31; and col. 6, lines 29-52 Note: "billing information" as used in Kitchen inherently includes an invoice due date and invoice

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amount. E.g., see col. 1, lines 18-20 where Kitchen suggests "billing information also includes the total charge, due date for payment and, in many cases, the minimum amount which must be paid by the due date"); the bill (invoice) displayed (Figs. 9A,9C, 11 and 15; col. 4, lines 37-42; col. 8, lines 4-8); and a payment input authorizing payment according to the invoice amount by the invoice due date received (Kitchen, Figs. 10A-10C and 12A-12C; col. 1, line 42+ - col. 2, line 7; col. 8, line 56+ - col. 9, line 15; col. 12, line 16-48).

Kitchen does not explicitly address the issue of calculating discounts to customers who pay their bills (invoices) early however, providing discounts to customers for early payment was old and well-known to businesses concerned about bill payment and processing.

#### Known Technique

It is old and well-known that having control over cash inflow and cash outflow can have a positive impact on business operations. Businesses have an incentive for receiving payments prior to or on the bill (invoice) due date. Bills (invoices) are generated for products and services already rendered and a business may need to recoup the money spent to apply to other uses. Furthermore, a business may be motivated by the increased income that may be earned on money received via early payment of bills (invoices). Businesses may be further motivated by the goodwill and loyalty achieved with customers who see discounts for early payments as a way to save.

The Smith disclosure suggests that automated means for businesses to calculate a discount amount (Smith, spec. abstract; last ¶, pg. 2 – third ¶, pg. 4); display the calculated discount amount (Smith, spec. abstract; last ¶, pg. 2 – third ¶, pg. 4); and receive payment for the discount amount (Smith, spec. abstract; last ¶, pg. 2 – third ¶, pg. 4). were known in the art at the time the invention was made.

Thus, a method, apparatus, e-billing system, server apparatus, computer readable medium and program for an e-billing system comprising: retrieving customer invoice information that includes an invoice due date and an invoice amount; calculating a discount amount based upon the invoice amount; displaying the calculated discount amount; and selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice due date would have been obvious to one of ordinary skill in the art.

Providing discounts to customers for early payment has provided numerous incentives for businesses in terms of bill payment and processing, accounting and marketing in particular. Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art. Thus, the claimed subject matter likely would have been obvious under KSR. *KSR*, 127 S.Ct. at 1741, 82 USPQ2d at 1396.

**Re Claims 3, 10, 17, 24, 31 and 38:** Kitchen in view of Smith discloses the claimed invention supra and Kitchen further discloses:

calculating an expiration date defining a pre-defined time period (Kitchen, Figs. 10A,

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12C, col.1, lines 29-42); and displaying the expiration date (Kitchen, Figs. 10A, 12C, col.1, lines 29-42).

**Re Claims 5-6, 12-13, 19-20, 26-27, 33-34 and 40-41:** Kitchen in view of Smith

discloses the claimed invention supra and Smith further discloses:

determining whether criteria for early payment discount are satisfied for a corresponding customer (Smith, spec. abstract; last ¶, pg. 2 – third ¶, pg. 4); and

selectively applying the discount amount based upon the determining step (Smith, spec. abstract; last ¶, pg. 2 – third ¶, pg. 4).

**Re Claims 7, 14, 21, 28, 35 and 42:** Kitchen in view of Smith discloses the claimed

invention supra and Kitchen further comprising:

executing an electronic fund transfer in response to the step of selectively receiving the payment input (Kitchen, Figs. 10A-10C and 12A-12C; col. 1, line 42+ - col. 2, line 7; col. 8, line 56+ - col. 9, line 15; col. 12, line 16-48).

**Claims 4, 11, 18, 25, 32 and 39** are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen in view of Smith as applied to claims 3,10,17,24,31 and 38 above, and further in view of "Three Ways to Get Your Customers to Pay Faster," Anonymous. Business Owner v23n5 pp:17 Sep/Oct 1999. (hereinafter Business Owner).

**Re claims 4, 11, 18, 25, 32 and 39:** Kitchen in view of Smith discloses the claimed invention supra but fails to explicitly disclose wherein the discount amount is based upon a percentage of the invoice amount, further comprising:

calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date; and automatically applying either of the discount amounts based upon time of receipt of the payment input.

Business Owner discloses wherein the discount amount is based upon a percentage of the invoice amount, further comprising:  
calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date (Business Owner, pg. 17); and  
automatically applying either of the discount amounts based upon time of receipt of the payment input (Business Owner, pg. 17).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Kitchen and Smith by adopting the teachings of Business Owner to provide an invention further comprising:  
calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date; and  
automatically applying either of the discount amounts based upon time of receipt of the payment input.

One would have motivated to improve cash flow and build good will among customers.

***Response to Arguments***

Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

"How to capture EDI benefits without losing float," by Louis West. Corporate Cash Flow, v16n11 pp: 62-64, Nov 1995.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SARA CHANDLER whose telephone number is (571)272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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SMC

/JAGDISH N PATEL/

Primary Examiner, Art Unit 3693